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UNCLAS SANTO DOMINGO 003188

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TAGS: [ETRD](#) [DR](#)
SUBJECT: DOMINICAN PRESIDENT SAYS COUNTRY IS READY TO ACT
ON CAFTA-DR

1. (SBU) On October 5 President Leonel Fernandez told the Ambassador that if CAFTA-DR is not implemented by January 1 it will be a failure for the country. He asked what needs to be done to secure entry into force by the end of the year. The Ambassador outlined a series of pending issues that must be completed before USTR can confirm to the President that the country has fulfilled its obligations under the agreement. A meeting scheduled for October 12 in Washington between Dominican Secretary of Industry and Commerce (SEIC) Francisco Javier Garcia and Assistant USTR Everett Eissenstat was discussed and President Fernandez said that the Dominican Republic is intent on resolving as many of the remaining issues as possible prior to the meeting. He asked for the Embassy to help ensure that pending commentary from USTR be forwarded to the Dominican implementation team as soon as possible.

2. (SBU) President Leonel Fernandez received the Ambassador, ADCM, EcoPol counselor and Econ officer on October 5 to discuss CAFTA-DR implementation. The Dominican president was accompanied by Secretary of Industry and Commerce Francisco Javier Garcia, Garcia's Director for CAFTA implementation Vilma Arbaje and Director of the National Planning and Budget Office (ONAPLAN) Guarocuya Felix. Fernandez said that if CAFTA-DR is not implemented by January 1, this would be a catastrophe for the country.

3. (SBU) The Ambassador highlighted outstanding issues that require Dominican action, including the draft regulation that Dominican Customs is working on to implement a user fee, which will substitute for an existing fee determined inconsistent with the free trade agreement. Fernandez asked his team what was causing the delay. SEIC Garcia said that Customs was working on the regulation and would have it done "tomorrow." The Ambassador stressed that it is important that the Dominicans explain the calculation of the new fee and its relation to the cost of providing the service and that the process be managed in a transparent way.

4. (SBU) SEIC Garcia commented on what he sees as delays by the U.S. side. He observed that in some implementation issues, his office had accepted USTR suggestions, only to find that USTR had further requests in a following exchange. The additional work was causing delays. The Ambassador responded that this detailed process of analysis is necessary to ensure that legislative changes made to implement the agreement are correct and complete, and he assured President Fernandez that the United States shares Dominican interest in prompt completion of the process. Garcia cited various working documents currently under consideration by USTR that the Dominican Republic must receive before it can move the process forward. He listed the dates when documents were sent to USTR and said that delays were giving an opportunity for opponents to assemble new political opposition to the agreement. He commented that "all the sectors except

pharmaceuticals" are currently in support of the agreement, but he worries that further delays without entry into force could change this.

5.(SBU) President Fernandez concluded by saying, "What I hear is that we are waiting for a response from USTR so that we can submit legislation to Congress - - the ball is in your court. Send us the ball." He asked that documents currently pending USTR comments be returned as soon as possible and committed to carry out any remaining necessary changes immediately.

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